

Department of History, Arts and Libraries

(Amounts In Thousands)

Funding History

	FY90			FY01	FY02	FY03
GF/GP	\$59,936.4			\$68,635.9	\$64,609.1	\$62,675.3
All Funds	\$68,635.7			\$78,121.7	\$74,545.7	\$72,264.9
	% Change - GF/GP					-3.0%
	% Change - All Funds					-3.1%

KEY ISSUES

	GF/GP	All Funds
Transfers from Departments of Natural Resources, Consumer and Industry Services and State	\$461.8	\$461.8
Thunder Bay National Marine Sanctuary and Underwater Preserve	\$250.0	\$250.0
Renaissance Zone Reimbursement Funding Increase	\$243.2	\$243.2
Remove One-Time Arts Funding	(\$3,000.0)	(\$3,000.0)
Adjustments to Reflect End of 1997 Early Retirement Payouts	(\$14.4)	(\$42.2)
Economic Adjustments	\$479.8	\$487.1
Staff Reductions Needed to Pay for Employee Economics (3.2 FTE's)	(\$179.2)	(\$179.2)
Other Adjustments	<u>(\$175.0)</u>	<u>(\$501.5)</u>
Subtotal	(\$1,933.8)	(\$2,280.8)
FY 2003 Executive Recommendation	\$62,675.3	\$72,264.9

Department of History, Arts and Libraries

In 2001, the Governor and Michigan Legislature created the Michigan Department of History, Arts and Libraries by merging the responsibilities of the Mackinac Island State Park Commission, the Michigan Council for Arts and Cultural Affairs, the Michigan Film Office, the Michigan Historical Commission, the Michigan Historical Center and the Library of Michigan. The department's goal is to raise the status of state history, arts, culture and library programs by coordinating state efforts to preserve, promote and protect Michigan's heritage.

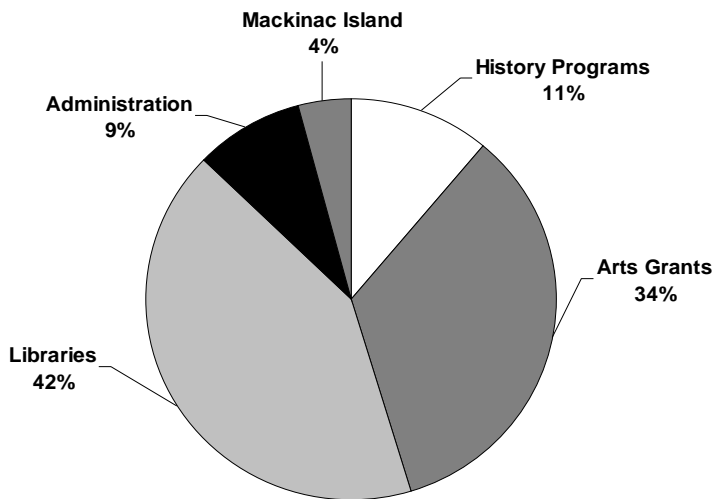
*The
department
funds
various
cultural
programs*

The Governor's fiscal year 2003 recommendation for the Department of History, Arts and Libraries is \$72.3 million, of which \$62.7 million is general fund.

Achievements of Engler Administration

The functions transferred to the Department of History, Arts and Libraries were not the primary missions of the departments from which they came. By elevating the status of these functions to a cabinet-level department, the Governor and Legislature have ensured that more focus is brought to Michigan's history and heritage, arts, culture and libraries.

Fiscal Year 2003 Spending by Category



The Department of History, Arts and Libraries exists to provide access to information and to promote the knowledge of history, the arts, and culture – elements that are fundamental to human enrichment and to a well-rounded education. The department also encourages the preservation of history, creation of art, and development of culture, making Michigan an even more interesting and desirable place in which to travel and live. Finally, the Governor's vision for the department is to provide good stewardship for Michigan's many historic sites, archives, and other cultural resources. The Department of History, Arts and Libraries is the central depository to protect and enrich these treasures.

Library of Michigan. The Library of Michigan offers all Michigan residents access to reliable, up-to-date information through AccessMichigan, a variety of databases over the Internet. Funded by the Library of Michigan and made accessible to all residents – from professional genealogical researchers to students needing homework assistance – the AccessMichigan databases are extensive and exhaustive. And with more than 10,000 e-book titles, the e-Michigan Library is never closed and books are always there.

Michigan Historical Center. Over two million people have viewed the Michigan Library and Historical Center since it first opened in 1989. In the early 1990's, the Governor recommended and the Legislature appropriated \$1.8 million with a challenge to the Michigan Historical Center Foundation to raise the remaining funds needed to complete *Michigan in the Twentieth Century* exhibits. The Foundation met the challenge and the exhibits opened in 1995.

In response to the U.S. Coast Guard's decision to surplus more than 70 Michigan lighthouses, the State Historic Preservation Office brought together state and federal government staff and members of the non-profit community to preserve the lighthouses. The results of this on-going project have included an unprecedented transfer agreement between the U.S. Coast Guard and the State of Michigan, grant funding to preserve lighthouses, and a lighthouse license plate.

In partnership with the Department of Natural Resources, the Michigan Historical Center restored the lighthouse at Fort Wilkins and the logging buildings at Hartwick Pines. The two sites are the most visited of the Michigan Historical Museum's ten sites, serving more than 650,000 visitors every year.

Mackinac Island State Park Commission. The Mackinac Island State Park Commission developed and implemented a comprehensive strategic plan to protect, preserve and present Mackinac's rich historic and natural resources and to provide outstanding educational and recreational experiences for the public. In order to carry out this strategic plan, the commission secured over \$16 million in grants and bond proceeds, over and above the regular legislative appropriations for ongoing operating costs.

"It (the Department of History, Arts and Libraries) provides a focus in state government that connects us to the past and future of who we are."

During the last decade, the Mackinac Island State Park Commission has opened seven major exhibitions to share the history of Mackinac. Several major public events were hosted including the Centennial Celebration

Craig Ruff, President, Public Sector Consultants, December 12, 2001

of the formation of Michigan's first state park and the reenactment of the Battle of 1814. Seventeen books, plus numerous shorter items, have been published to share Mackinac's story. The parks were made more accessible through winter openings and the installation of numerous physical improvements to meet the needs of persons with disabilities.

Michigan Film Office. In the 1990's, Michigan reestablished itself as a desirable location in the eyes of the film industry. Major motion picture studios regularly film within the state. The 1990's were an exciting time to see Michigan on the big screen, in hits such as: *Hoffa*, *Polish Wedding*, *Grosse Pointe Blank*, *Out of Sight*, *Hardball*, and *Escanaba in da Moonlight*. Fiscal year 2001 was a record year for feature films in Michigan, with a direct economic impact of nearly \$10 million. Not included in that amount is the substantial amount of commercial work done in Michigan, as well as documentaries and television programming.

Michigan Council for Arts and Cultural Affairs. Following a decade of continuous improvement in the grant process, in 2001 the Michigan Council for Arts and Cultural Affairs processed 25% more grant applications than the previous year and awarded 311 grants to organizations throughout the state. According to estimates compiled by the department, the number of beneficiaries of these grants has increased 250% in three years. Almost 60 million people have participated in person or through simulcast programs.

Response to Revenue Decline

Although a new department, History, Arts and Libraries is a prudent purchaser and steward of tax dollars. The department has accomplished numerous budgetary savings in fiscal year 2002 through Executive Order 2001-9. The department was able to reduce expenditures through various administrative efficiencies across the department. In addition, grants to the Detroit and Grand Rapids public libraries were cut in half, and one-time supplemental arts grants were reduced by \$500,000.

Summary of Fiscal Year 2003 Executive Budget

Included in the Governor's recommendation is \$250,000 for the first of a four-year commitment to the Thunder Bay National Marine Sanctuary and Underwater Preserve. This preserve, the first one to be so designated, was placed on a site evaluation list by the National Oceanic and Atmospheric Administration in 1983. The funding will be combined with federal funds in a joint effort to manage the collection of shipwrecks in the bottom lands of Thunder Bay.

The Executive Recommendation removes \$3 million in one-time funding for the arts which had been included in the fiscal year 2002 budget. The budget also provides for increased reimbursement to libraries located in Renaissance Zones (\$243,200) and funds non-discretionary economic increases. Three positions will be eliminated to pay for employee-related economics.

Program Outcomes	Fiscal Year			
	2000	2001	2002	2003
To broaden knowledge about the history and heritage of the Mackinac Straits area, increase the number of visitors to the Mackinac State Historic Park	363,400	383,400	+ 2%	+ 4%
To encourage tourism and expose people to Michigan's geography and appearance through visual media, increase film production expenditures on location in Michigan				
Documentaries, feature films and television	\$1 million	\$10 million	+ 2%	+ 4%
Commercials	\$200 million	\$204 million	+ 3%	+ 5%
To enhance knowledge of Michigan history and heritage, increase the use of history resources				
Museum visits	164,600	172,800	+ 2%	+ 5%
Web site visits	1,246,000	1,345,600	+10%	+18%
To expand access to information, increase the number of visits and variety of resources in Michigan libraries				
Library of Michigan				
Physical visits	312,300	321,600	+ 3%	+ 6%
Virtual visits	889,900	1,023,300	+15%	+30%
Other public libraries – on-site use				
Virtual resources	10,197,100	10,530,000	+ 5%	+10%
Other resources	29,611,200	30,472,500	+ 2%	+ 3%
To enrich cultural life, increase the number of citizens accessing arts funded by the department				
Exhibit visitors and program attendees	30,227,500	59,090,900	+ 4%	+ 5%